GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2668
ANSWERED ON:10.05.2016
Surplus Stock with FCI
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether despite selling more than seven million tonnes of excess wheat stocks through the Open Market Sales Scheme in FY 16, the Food Corporation of India (FCI) continue to hold grains in excess of the mandated buffer stock at the start of the current fiscal if so, the details thereof and the reasons therefor indicating the losses suffered by FCI on account of holding these excess stocks;
(b) the corrective steps taken to utilise these stocks;
(c) whether there is any proposal to bring Food Subsidy under Direct Benefit Transfer scheme and if so, the details thereof; and
(d) whether the Government is considering to provide additional food subsidy, over and above, the budgetary provisions, if so, the details thereof
indicating the subsidy provided during the last three years and the additional subsidy proposed to be provided?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a) : Yes, Madam. A quantity of 70.78 lakh MT wheat in excess of stocking norms was available in the central pool as on 01.04.2016. The excess food grains in Food Corporation of India (FCI) over and above buffer norms leads to increase in carrying costs, which consists of storage charges and interest cost for blocking of capital. At FCI cash credit interest rate and Central Warehousing Corporation (CWC) storage rate, the estimated carrying cost of wheat is Rs.21.42 per quintal per month for the year 2015-16 (RE).
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(b): In order to offload surplus stock in excess of stocking norms, during the year 2016-17, the Government has set a target for sale of 65-75 LMT wheat through e-auction under Open Market Sale Scheme (Domestic) by the FCI.
(c) Direct Benefit Transfer (DBT) for foodgrains is being implemented on pilot basis in the Union Territories of Chandigarh and Puducherry with effect from September, 2015 and in Silvassa Municipal area and Dadra Panchayat of Dadra & Nagar Haveli from March, 2016 to test the feasibility of launch of the scheme in other States/UTs.
(d) : No, Madam. Government of India provides food subsidy as per the budgetary provisions only. The year-wise break-up of subsidy released for distribution of subsidized foodgrains and maintenance of buffer stocks during the last three years to FCI and the States operating the Decentralised Procurement (DCP) Scheme is as under:
(Rs. in crore)

Year	Subsidy released		
	FCI	States	Total
2013-14	75500.02	14240.00	89740.02
2014-15	91995.35	21175.81	113171.16
2015-16	112000.00	22919.00	134919.00

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